

# BLANCHARD WALKER

A TRADITION OF EXCELLENCE SINCE 1917

BLANCHARD, WALKER, O'QUIN & ROBERTS  
A PROFESSIONAL LAW CORPORATION

STATE EXHIBIT NO. 7  
DOCKET NO. 04-783 and 04-784

1-088 8/30  
2-File  
400 Texas Street, Suite 1400  
Shreveport, LA 71101  
Firm: 318.221.6858  
Fax: 318.227.2967  
Web: www.bwor.com

Mailing Address:  
P.O. Drawer 1126  
Shreveport, LA 71163-1126

August 25, 2004

Office of Conservation  
State of Louisiana  
Post Office Box 94275  
Baton Rouge, Louisiana 70804-9275

**WM. TIMOTHY ALLEN, III**  
Direct: 318.934.0217  
Email: tallen@bwor.com

Attention: John Aldridge

Re: CONTINUANCE OF HEARING  
Docket Nos. 04-783 and 04-784  
Smackover D Zone, Reservoir A  
Smackover C Zone, Reservoir B  
North Shongaloo-Red Rock Field  
Webster Parish, Louisiana  
Our File No. 230756.0006

Dear John:

This will confirm our telephone conversation of Monday, August 23, 2004, wherein we requested in behalf of Cypress Operating, Inc., that the Conservation Hearing regarding abovedescribed matter, which is currently scheduled for hearing on September 1, 2004, be continued and be reset on September 14, 2004, at 9:00 a.m.

By copy of this letter to each of the Interested Owners, Represented Parties and Interested Parties, I am notifying each of them of such continuance.

Thanking you for your cooperation, I remain

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: Wm Timothy Allen III

Wm. Timothy Allen, III  
Attorneys for Cypress Operating, Inc.

WTAIII:bp  
Enclosures

cc: Mr. James C. Broussard, Shreveport District Manager,  
Office of Conservation  
cc: Interested Owners, Represented Parties and Interested Parties

BLANCHARD, WALKER, O'QUIN & ROBERTS  
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PAUL M. ADKINS  
LESLIE IDOM KALMBACH  
GARY H. LOVE  
F. MICHAEL CARMODY  
KIMBERLY D. BELANGER  
CLINTON S. SIMON

NEWTON C. BLANCHARD (1922)  
ELIAS GOLDSTEIN (1962)  
HENRY C. WALKER (1963)  
ARTHUR O'QUIN (1972)  
WILTON H. WILLIAMS, JR. (1975)  
LEON O'QUIN (1979)  
JOSEPH W. MILNER (1989)  
ROBERT ROBERTS, JR. (1991)  
CLYDE W. THURMON (1992)  
PIKE HALL, JR. (1999)  
MARLIN RISINGER, JR. (2002)

OF COUNSEL  
GILBERT L. HETHERWICK  
ROBERT ROBERTS III  
NEILSON S. JACOBS

July 21, 2004

Hon. James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
P.O. Box 94275  
Baton Rouge, Louisiana 70804-9275

Re: HEARING APPLICATION  
Smackover D Zone, Reservoir A  
Smackover C Zone, Reservoir B  
North Shongaloo-Red Rock Field  
Webster Parish, Louisiana

Dear Sir:

On behalf of Cypress Operating, Inc., application is hereby made for a public hearing to receive evidence concerning the issuance of orders pertaining to the following matters relating to the Smackover D Zone, Reservoir A and the Smackover C Zone, Reservoir B in the North Shongaloo-Red Rock Field, Webster Parish, Louisiana:

**SMACKOVER D ZONE, RESERVOIR A:**

1. To create one (1) additional drilling and production unit (to be designated as SMK D RA SUB) for the exploration and production of gas and condensate from the Smackover D Zone, Reservoir A, in the North Shongaloo-Red Rock Field, Webster Parish, Louisiana, as shown on the plat attached hereto.
2. To force pool and integrate all separately owned tracts, mineral leases, and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Cypress Operating, Inc. as unit operator and the Cypress Operating, Inc. (formerly Huggs Inc., et al.) - McEachern No. 1 Well as the unit well for the proposed SMK D RA SUB.

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July 21, 2004  
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4. Except to the extent contrary herewith, to extend the provisions of Office of Conservation Order No. 104-S, effective April 22, 2003, to the proposed SMK D RA SUB.
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

**SMACKOVER C ZONE, RESERVOIR B**

1. To permit the downhole combination of the Smackover C Zone, Reservoir B and the Smackover D Zone, Reservoir A in the Cypress Operating, Inc. (formerly Huggs Inc., et al.) - McEachern No. 1 Well or in the wellbore of any well located in the SMK C RB SUD and SMK D RA SUB.
2. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Smackover D Zone, Reservoir A, in the North Shongaloo-Red Rock Field, Webster Parish, Louisiana, is fully defined in Office of Conservation Order No. 104-S, effective April 22, 2003.

The Smackover C Zone, Reservoir B, in the North Shongaloo-Red Rock Field, Webster Parish, Louisiana, is fully defined in Office of Conservation Order No. 104-H-4, effective June 24, 1986.

Pertinent data regarding this application will be available for inspection at the offices of Gene Huggs, 333 Texas Street - Suite 840, Shreveport, Louisiana, 71101. Any person wishing to inspect such data should call Gene Huggs at 318/221-4499, during normal business hours, or write Gene Huggs at the above address, in order to arrange a time and date for such inspection. Copies of such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and copy of this application, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure. The applicant will also arrange for

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mailing, posting and publication of the legal notice of this hearing in accordance with the Rules of Procedure.

By Pre-Application Notice dated July 8, 2004, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a conference, and accordingly, no conference was held.

A check in the amount of \$1,510.00 payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This notice is being filed in duplicate, and a copy hereof is being sent to James C. Broussard, Shreveport District Manager of the Office of Conservation, and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS  
(A Professional Law Corporation)

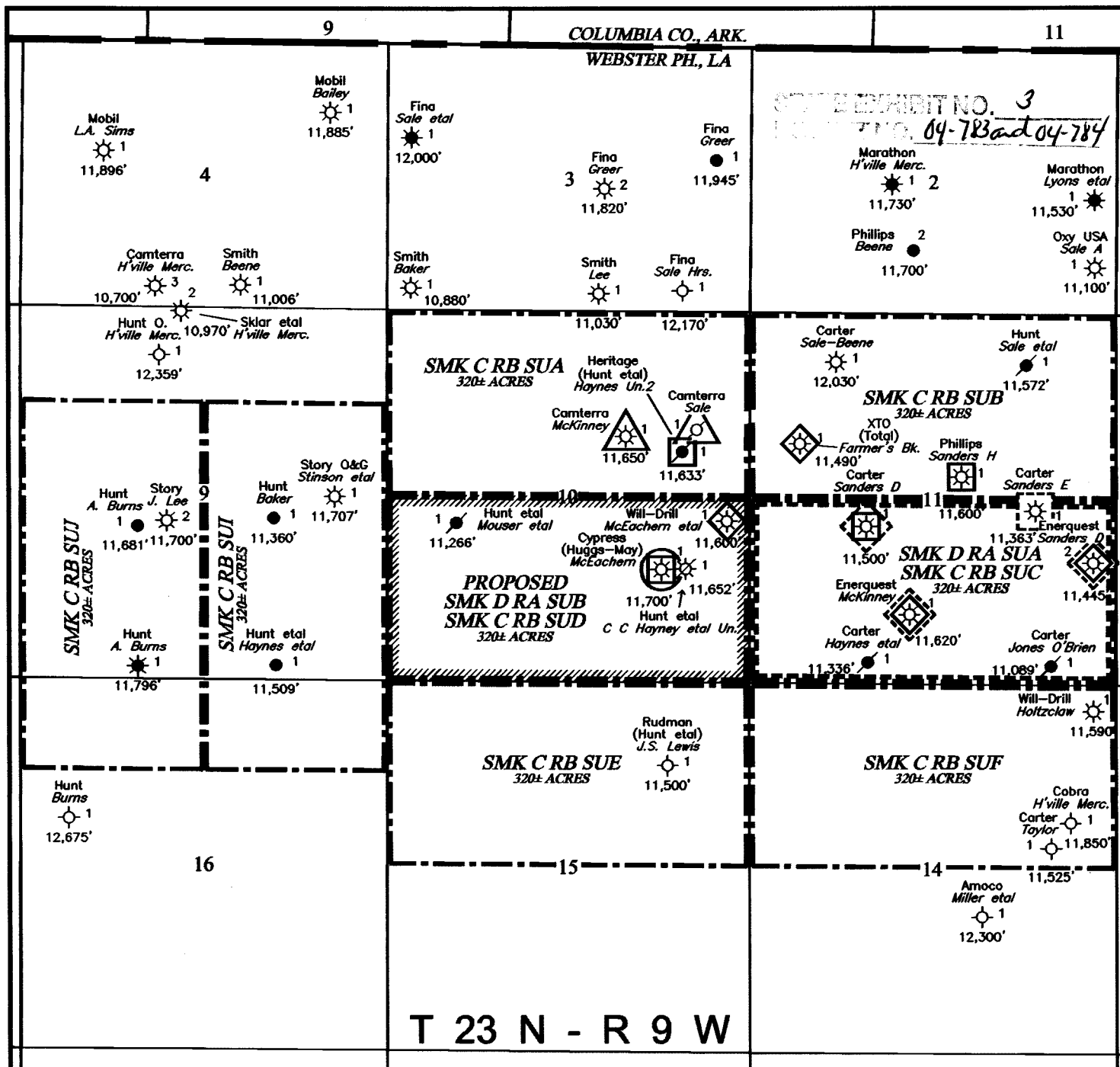
By: 

Thane L. Huggs  
Attorneys for Cypress Operating, Inc.

TLH/kea  
Enclosure

cc w/encl: James C. Broussard  
Shreveport District Manager

cc w/copy of plat only: Interested Owners, Represented Parties  
and Interested Parties



**Cypress Operating Inc.**  
Shreveport, Louisiana

## North Shongaloo - Red Rock Field

Webster Parish, Louisiana

### Unit Plat Showing Proposed SMK D RA SUB

